



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, MEGAN GAFFNEY
PUBLIC INFORMATION OFFICE
(212) 637-2600

**FORMER HOUSING PROJECT MANAGER CONVICTED
IN FEDERAL COURT FOR CONSPIRACY TO RECEIVE BRIBES**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that SAMUEL SANEAX, the former manager of a Bronx housing project subsidized by the United States Department of Housing and Urban Development ("HUD"), was convicted by a jury on May 6, 2005, for conspiracy to receive bribes in connection with his running of the Andrews Plaza housing project.

According to the evidence presented at trial, from at least 1995 through February 2003, SANEAX was the property manager at Andrews Plaza, a housing project for low- and very-low-income individuals located in the Bronx that was subsidized by HUD's "Section 8" program. Individuals who met income and other requirements were eligible to receive apartments at Andrews Plaza for which the rent was paid in part through Section 8 money. Due to high demand for these subsidized apartments, HUD required that, absent certain exceptional circumstances, eligible applicants be assigned to Andrews Plaza apartments on a first-come, first-served basis. Although Andrews Plaza was privately

owned and managed, the housing project – and SANEAUX – were bound by HUD regulations as a condition of their participation in the Section 8 program.

According to the evidence presented at trial, SANEAUX, in his role as property manager, was responsible for, among other things, giving out applications to Andrews Plaza, determining which applicants were eligible, maintaining the wait list of applicants for housing, and assigning apartments to applicants on the wait list. Between approximately 1995 and February 2003, SANEAUX solicited and accepted bribes of between \$1,500 and \$6,000 from otherwise eligible low- and very-low-income applicants in exchange for promising to allow the bribe payers to skip ahead on the wait list.

According to the evidence presented at trial, although SANEAUX accepted bribe payments directly from applicants on several occasions, he more often had a co-conspirator – usually a resident at Andrews Plaza – solicit and collect the bribe payments. SANEAUX typically allowed the bribe payers to make installment payments, which usually consisted of an initial payment for the housing application, and an additional payment just prior to move-in.

SANEAUX's trial began on April 25, 2005, before United States District Judge CHARLES S. HAIGHT, and ended the evening of May 6, 2005, when the jury convicted SANEAUX. SANEAUX faces a maximum sentence of 5 years' imprisonment. Judge HAIGHT declared a mistrial after the jury was unable to reach a unanimous verdict

as to a co-defendant, RAFAEL ESTELLA.

Mr. KELLEY praised HUD and its Office of Inspector General, as well as the United States Postal Inspection Service, for their investigation of this matter.

Assistant United States Attorneys LAWRENCE GERSCHWER and W.S. WILSON LEUNG are in charge of the prosecution.

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